



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 4, 2002

Mr. John F. Carmody
Western States Minerals Corporation
4975 Van Gordon Street
Wheat Ridge, Colorado 80033

Re: Request for Final Payment – Closure of SWEX Pit Underground Openings, Western States Minerals Corporation (WSMC), Drum Mine, M/027/007, Millard County, Utah

Dear Mr. Carmody:

On February 11, 2002, we received a letter from Mr. E.M. (Buzz) Gerick of WSMC notifying us that the closure of the remaining underground openings in the SWEX Pit had been completed. The letter requested final payment of the remaining \$20,000.00 for the closure of the Drum Mine project. On February 19, 2002, we received a subsequent \$20,000 billing invoice from WSMC for the completed closure and reclamation work.

Before the billing could be processed, an amendment to extend the timeframe of the original reclamation contract had to be approved. This contract amendment has been approved extending the contract through May 15, 2002 (signed copy enclosed). Your billing invoice has been accepted and approved for payment. A check should be cut by the Division of Finance and be forthcoming to you shortly. Thank you for your patience, cooperation and assistance in carrying out this final reclamation work at the Drum Mine.

Sincerely,

FOR D. Wayne Hedberg,
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure: signed contract amendment

cc: Buzz Gerick, WSMC, Reno Office

Rex Rowley, BLM, Fillmore Office

O:\M027-Millard\M027007Drum\final\pit_approval.doc

STATE OF UTAH
CONTRACT AMENDMENT

AMENDMENT # One To CONTRACT # 006536

TO BE ATTACHED TO AND MADE A PART OF the above numbered contract by and between the State of Utah,
Division of Oil, Gas & Mining, referred to as STATE and, Western States Minerals Corporation (WSMC),
referred to as CONTRACTOR. 746 560 9193 NEDRM 09 B Q

THE PARTIES AGREE TO AMEND THE CONTRACT AS FOLLOWS:

1. Contract period:

2/15/2000 (original starting date)

2/15/2001 (current ending date)

5/15/2002 new ending date

2. Contract amount:

\$210,000.00 (current contract amount)

\$ 0.00 (amendment amount)

\$210,000.00 new contract amount

3. Other changes: (attach other sheets if necessary):

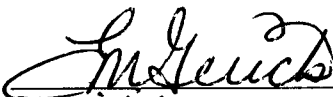
Price remains unchanged. Unforeseen circumstances and weather delays prevented WSMC from completing the last phase of the contract work until this time. Final closure and reclamation of underground openings at the Drum Mine (SWEX Pit) was completed on 2/6/2002 by WSMC

4. Effective Date of Amendment: 2/15/2002

All other conditions and terms in the original contract remain the same.

IN WITNESS WHEREOF, the parties sign and cause the amendment to be executed.

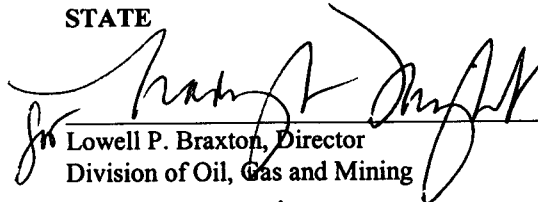
CONTRACTOR



Contractor's signature
Western States Minerals Corporation

E. M. Gerick - Vice Pres. Operations
Type or Print Name and Title

STATE

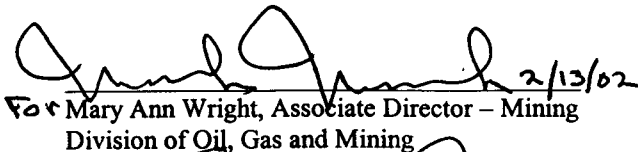


Lowell P. Braxton, Director
Division of Oil, Gas and Mining

D. Dickinson
Director, Division of Purchasing

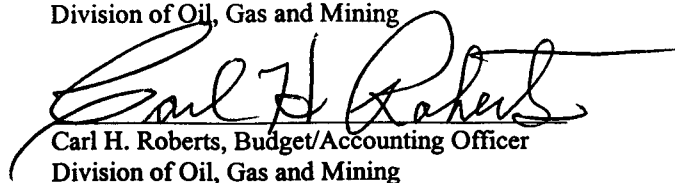
MAR 2 2 2002

STATE


2/13/02
For Mary Ann Wright, Associate Director - Mining
Division of Oil, Gas and Mining

CONTRACT RECEIVED AND
PROCESSED BY
DIVISION OF FINANCE

Director, Division of Finance


Carl H. Roberts, Budget/Accounting Officer
Division of Oil, Gas and Mining

RECEIVED

MAR 23 2002

DIVISION OF
OIL, GAS AND MINING